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COMMISSION OF THE EUROPEAN COMMUNITIES

COM(78) 257 final.

Brussels, 15 June 1978

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Proposal for a

COUNCIL REGULATION (EEC)

amending Regulation (EEC) No 950/68 on the
Common Customs Tariff

(submitted to the Council by the Commission)

COM(78) 257 final.

EXPLANATORY MEMORANDUM

Section II B of the Preliminary Provisions of the Common Customs Tariff set out in the annex to Council Regulation (EEC) No 950/68 of 28 June 1968 on the Common Customs Tariff (1), as last amended by Regulation (EEC) No 2500/77 (2), provides that customs duty shall be charged at the flat rate of 10% ad valorem on goods sent in small consignments to private individuals, provided that such importations are not of a commercial nature.

Article 5 of Council Regulation (EEC) No 1544/69 of 23 July 1969 on the tariff applicable to goods contained in travellers' personal luggage (3) also provides for a standard ad valorem customs duty of 10% on goods contained in travellers' personal luggage in excess of the exemption limits set in Articles 1 and 2 of the Regulation, where such imports have no commercial character.

By virtue of Article 1(2) of Council Regulation (EEC) No 1818/75 of 10 July 1975 on the agricultural levies, compensatory amounts and other import charges applicable to agricultural products and to certain goods resulting from their processing contained in travellers' personal baggage (4), the application of the flat rate duty is extended to cover goods contained in the personal baggage of travellers and liable to agricultural levies or other import charges under the common agricultural policy or specific schemes applicable, by virtue of Article 235 of the Treaty, to certain goods resulting from the processing of agricultural products.

In each case, the flat rate customs duty applies only to goods the value of which does not exceed 60 u.a. (to which should be added, in the case of goods contained in travellers' personal luggage, the amount by which the exemption may be reduced under Article 2 of Regulation (EEC) No 1544/69).

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- (1) OJ No L 172 of 22.7.1968, p. 1
 - (2) OJ No L 289 of 14.11.1977, p. 1
 - (3) OJ No L 191 of 5.8.1969, p. 1
 - (4) OJ No L 185 of 16.7.1975, p. 3

The introduction of the European Unit of Account in the tariff field from 1 January 1979 makes it necessary to adjust the provisions of these two Regulations.

Naturally, such adjustment should not have the effect of causing a reduction in the Member States of the real value of goods currently eligible for the flat rate of duty.

Basing its calculation on the present definition of the European Unit of Account, the Commission proposes to achieve this goal by changing the sum from 60 units of account to 100 European units of account.

It also proposes to take the opportunity of this adjustment to bring together under the Preliminary Provisions of the Common Customs Tariff all the above-mentioned provisions on flat rate customs duty applicable to imports of a non-commercial nature.

Proposal
for a Council Regulation

amending Regulation (EEC) No 950/68 on the Common Customs Tariff

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,
and in particular to Articles 28, 43 and 235 thereof,

Having regard to the proposal from the Commission,

Having regard to the Opinion of the European Parliament,

Whereas Section II B of the Preliminary Provisions of the Common Customs Tariff set out in the Annex to Council Regulation (EEC) No 950/68 of 28 June 1968 on the Common Customs Tariff (1), as last amended by Regulation (EEC) No 2500/77 (2), provides that customs duty shall be charged at the flat rate of 10% ad valorem on goods sent in small consignments to private individuals, provided that such importations are not of a commercial nature ;

Whereas Article 5 of Council Regulation (EEC) No 1544/69 of 23 July 1969 on the tariff applicable to goods contained in travellers' personal luggage (3) also provides for a standard ad valorem customs duty of 10% on goods contained in travellers' personal luggage in excess of the exemption limits set in Articles 1 and 2 of the Regulation, where such imports have no commercial character; and whereas Article 1(2) of Council Regulation (EEC) No 1818/75 of 10 July 1975 on the agricultural levies, compensatory amounts and other import charges applicable to agricultural products and to certain goods resulting from their processing, contained in travellers' personal baggage (1)

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(1) OJ No L 172 of 22.7.1968, p. 1

(2) OJ No L 289 of 14.11.1977, p. 1

(3) OJ No L 191 of 5.8.1969, p. 1

extended the application of the flat rate ad valorem customs duty of 10 % to cover goods contained in the personal baggage of travellers and liable to agricultural levies or other import charges provided for under the common agricultural policy or under arrangements laid down under Article 235 of the Treaty, to certain goods resulting from the processing of agricultural products ;

Whereas in each case, the flat rate customs duty applies only to goods of which the total value does not exceed a certain fixed sum expressed in units of account ;

Whereas, with effect from 1 January 1979, all sums expressed in units of account in acts adopted by the institutions of the European Communities on customs matters must be expressed in European Units of Account ;

Whereas such an adjustment should not cause any reduction in the amounts expressed in national currencies which are at present eligible for the application of the standard ad valorem customs duty of 10 % ;

Whereas, in the interests of consistency and clarity, all measures relating to the application of a flat rate customs duty to imports of a non-commercial nature should be brought together in the Preliminary Provisions of the Common Customs Tariff,

HAS ADOPTED THIS REGULATION :

.../...

Article 1

Section II B of the Preliminary Provisions of the Common Customs Tariff set out in the Annex to Regulation (EEC) No 950/68 is hereby amended to read as follows:

"B. Standard rate of duty

1. Customs duty shall be charged at the flat rate of 10 % ad valorem on goods

- sent in small consignments to private individuals
or

- contained in travellers' personal luggage,

provided that such importations are not of a commercial nature and that the total value of such goods does not exceed 100 European Units of Account per consignment or per traveller;

Such flat rate assessment shall not apply to goods falling within Chapter 24.

2. An importation shall be treated as not being of a commercial nature if :

- it is occasional ;

- it consists solely of goods for personal or family use by the consignee, or in addition, in the case of travellers; goods intended as presents; such goods shall be of such kind or quantity that there is no indication that they are being imported for any commercial purpose.

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3. The flat rate taxation shall apply independently of the duty free admission granted in respect of goods contained in travellers' personal luggage, in accordance with Article 1 or Article 2(1) of Regulation (EEC) No 1544/69.
 4. The flat rate of customs duty shall not apply to goods imported under the conditions set out above if the person entitled has, before they are charged with the said flat rate, requested that they be subject to the customs duties appropriate to them. All the goods making up the consignment shall then be subject to the import duties which are appropriate to them, without prejudice to the duty free admission under Article 1 or Article 2(1) of Regulation (EEC) No 1544/69.

For the purposes of the preceding subparagraph, import duties shall mean both customs duties and charges having equivalent effect and agricultural levies and other import charges provided for under the common agricultural policy or under arrangements laid down under Article 235 of the Treaty, to certain goods resulting from the processing of agricultural products.

5. Member States may round off upwards or downwards the amount in national currency resulting from the conversion of the sum of 100 European Units of Account."

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Article 2

Articles 5 and 6 of Regulation (EEC) No 1544/69 and Article 1(2) of Regulation (EEC) No 1818/75 are hereby repealed.

Article 3

This Regulation shall enter into force on 1 January 1979.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Council

The President

Date : 10 May 1978

1. Budgetary line

2. Legal basis : Art. 28, 43 and 235 of EEC Treaty

3. Titel of the measure :

Proposal for a Council Regulation modifying Regulation (EEC) No 950/68
on the common customs tariff

4. Objectives :

To fix in EUA the value of goods eligible for the benefit of the application
of a flat rate customs duty of 10 %, currently expressed in UA, so that
there is no reduction in the Member States of the real scope of this
measure.

5. Financial implications :

Unquantifiable. Applying the 10 % flat rate duty is an administrative
simplification measure which has existed since 1962. It is essentially
a technical adaptation and its influence on the own resources budget
can be considered as absolutely negligible.